GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:454
ANSWERED ON:25.08.2000
PERFORMANCE OF PSUS
GADDE RAMAMOHAN;SHIVAJI MANE

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the performance of Public Sector Undertakings in terms of profit has declined during the first quarter ended in June, 2000;

(b) if so, the details thereof alongwith the number of PSUs earned profit and losses during the said period;

(c) the reasons for decline in the profit; and

(d) the steps taken by the Government in this regard?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI)

(a) to (d) : A statement is laid on the Table of the House.

(a) and (b) As per the available provisional information from 217 Central Public Sector Undertakings (CPSUs) as on 31.3.2000, their performance in terms of profit in general has improved to about Rs. 13,940 crores from Rs. 13,377 crores earned during the corresponding period of the previous year. Out of 217 CPSUs, 116 earned profit, 98 incurred losses and 3earned neither profit nor incurred loss during 1999-2000.

(c) and (d) Although the PSUs in general have recorded improvement in profit, there are certain PSUs where the profitability has declined. The reasons for such decline are enterprise specific. However, some of the common reasons include low capacity utilization, low productivity, higher input costs, low order book position, weak marketing strategy, obsolete plant & machinery, outdated technology, resource crunch, high interest burden, excess manpower, etc. Performance improvement is a continuous process and the Government and the Management take enterprise specific measures from time to time for improving the performance.